

# **QUARTERLY REPORT TO THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE**

**ON**

## **MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE SERVICES**

### **SESSION LAW 2001-437**

April 1, 2007 to June 30, 2007

This quarterly report is submitted to the Legislative Oversight Committee in Mental Health, Developmental Disabilities and Substance Abuse Services (LOC), pursuant to the requirements of Session Law 2001-437. This report is for the months of April 1, 2007 to June 30, 2007 and provides information on major developments as the division implements reform.

#### **Section I: Major developments for this quarter include:**

- Effective April 1, 2007, the transition phase-in process for Community Support services ended. Local Management Entities no longer issue conditional endorsement for an 18 month period. Instead, the full endorsement policy outlines in Communication Bulletin #44 should be followed.
- Effective May 1, 2007, the Division removed bed day allocations for admissions to the ADATC's. The Psychiatric Hospital Bed Day Allocation Policy will continue unchanged.
- The Division published the State Strategic Plan 2007-2010. The plan, developed by a wide variety of consumer, family LME, provider and other stakeholder input, reflects priorities that will improve services and supports for consumers and families and represent actions that can be accomplished over the next three years.

#### **1. Communication Bulletins # 072 through # 074**

- Communication Bulletin #072 announced the draft of the State strategic Plan for 2007-2010 for public comment. This plan is considerably different from the previous state plans. The focus of this plan is on five strategic objectives and associated action steps to be accomplished during the next three years.
- Communication Bulletin #073 announced the Division's report of MH/DD/SAS Community Systems Progress Indicators for the third quarter of SFY 2006-2007. This set of progress indicators is fully consistent with the goals of the *NC State Plan: Blueprint for Change* as well as with the President's New Freedom Initiative.

- Communication Bulletin #074 announced the State Strategic Plan 2007-2010.

In addition to the Communication Bulletin Series, the Division released several Enhanced Services Implementation Updates to assist providers and consumers with the transition process. Six Implementation Updates were released, covering the following topics:

- **Implementation Update/Revision #25** announced the change in the Medicaid reimbursement rate for Community Support Services. Services rendered on/after April 5, 2007 were paid at a rate of \$40.00 per hour for children and adult services and \$12.80 per hour for group services.
- **Implementation Update #26** announced the end of the transition period for provider endorsement and revised documents for the endorsement of community support providers.
- **Implementation Update #27** announced the revised Community Support Authorization Criteria and Utilization Review. Revisions were made in assurance that Community Support services will be provided in accordance to the service definition.
- **Implementation Update #28** announced the final Medicaid rate to cover the reimbursement of Community Support services for people with mental health and substance abuse issues. The rate \$51.28 per hour for children and adult services and \$16.48 per hour for group services. The rates are effective retroactive to April 5, 2007.
- **Implementation Update #29** announced the extension of provisionally licensed providers delivering reimbursable Outpatient Therapy services to June 30, 2008.
- **Implementation Update #30** announced the full endorsement of providers of Community Intervention services. This 18 month period will end on September 20, 2007 for services in Phase I or II, and November 30, 2007 for Phase III.

## **2. Systems Development**

There were no significant system developments this quarter.

## **3. Merger of Local Management Entities (LMEs)**

The Local Management Entities continue to unite and become larger entities. As of July 1, there will be 25 LMEs. The newest version has Smoky Mountain merging with New River, going from a 7 county LME to a 12 county system. Albemarle merged with

Tideland, which lost Beaufort County, Roanoke-Chowan, Pitt, Beaufort and Neuse merged to form East Carolina Behavioral Health (ECBH).

#### **4. Services and Programs**

- **Service Definitions:** There were no significant changes in service definitions this quarter.
- **Division Training:** Medicaid 101: Focused Training for Audited Community Support Providers and Accessing Care: Policy Direction for Clinical Assessment, Person Centered Planning and Authorization. Over 1500 provider and stakeholder received this training.
- **Waivers:** No significant changes in waivers this quarter.

#### **5. Financing**

##### **Mental Health Trust Fund:**

As of June 30, 2007, \$65,723,231 from the Mental Health Trust fund has been used to assist in mental health reform and community expansion.

#### **6. Public Outreach to Discuss System Reform**

The Division of MH/DD/SAS and the Division of Medical Assistance sponsored a video conference entitled “System Updates.”

The Division continues to post on its website Questions and Answers regarding the New and Modified Service Definitions.

#### **7. Rule Changes**

The following rules were reviewed at the May 17, 2007 Commission for MH/DD/SAS meeting:

- Proposed Adoption of 10A NCAC 26C .0402 - Standardized Forms and Processes
- Proposed Adoption of 10A NCAC 27A .0300 – Clean Claims
- Proposed Adoption of 10A NCAC 27G .0406 – Letter of Support Required for Licensure of Residential Facilities

#### **8. Developing Community Capacity**

The State Strategic Plan 2007-2010 defines the specific objectives, action steps and milestones to be undertaken over the next three fiscal years for continued implementation of reform and transformation of the MH/DD/SA services system as required by the North Carolina General Assembly. The State Strategic Plan focuses on five priority objectives:

- ✓ A stable and high quality provider system;
- ✓ Comprehensive crisis services;
- ✓ Integrated and standardized processes and procedures;
- ✓ Consumer outcomes related to housing; and
- ✓ Consumer outcomes related to education and employment.

The State Strategic Plan 2007-2010 has been posted to the web at: <http://www.ncdhhs.gov/mhddsas/whatsnew-comprehensive.htm>